



# **Avaron Flexible Strategies Fund**

**ANNUAL REPORT FOR THE FINANCIAL YEAR 2022**

*Translation from Estonian original*

## TABLE OF CONTENTS

FUND FACTS .....	3
MANAGEMENT REPORT.....	4
CONFIRMATION OF ANNUAL FINANCIAL STATEMENTS OF 2022.....	7
FINANCIAL STATEMENTS .....	8
BALANCE SHEET .....	8
STATEMENT OF INCOME AND EXPENSES .....	9
STATEMENT OF CHANGES IN NET ASSETS.....	10
STATEMENT OF CASH FLOWS.....	11
NOTES TO THE FINANCIAL STATEMENTS.....	12
NOTE 1. ACCOUNTING POLICIES AND ASSESSMENTS USED .....	12
NOTE 2. RISK MANAGEMENT .....	18
NOTE 3. CASH AND CASH EQUIVALENTS.....	25
NOTE 4. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES TO CATEGORIES AND LEVELS ..	26
NOTE 5. NET GAIN/LOSS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS..	28
NOTE 6. TRANSACTIONS WITH RELATED PARTIES .....	29
NOTE 7. DERIVATIVE INSTRUMENTS.....	30
STATEMENT OF INVESTMENTS .....	31
STATEMENT OF COMMISSIONS .....	40
REPORT ON REMUNERATION OF THE FUND MANAGEMENT COMPANY.....	42
INDEPENDENT CERTIFIED AUDITOR’S REPORT .....	43

## FUND FACTS

Avaron Flexible Strategies Fund is a public common alternative investment fund registered in the Republic of Estonia.

Name of the Fund	Avaron Flexible Strategies Fund
Fund Management Company	AS Avaron Asset Management (reg. no. 11341336)
Registered address and contact details of the Fund Management Company	Address: Narva mnt 7d, 10117 Tallinn, Estonia Phone: +372 664 4200 Facsimile: +372 664 4201 E-mail: <a href="mailto:avaron@avaron.com">avaron@avaron.com</a> <a href="http://www.avaron.com">www.avaron.com</a>
Depository & custody bank	Swedbank AS (reg. no. 10060701)
Fund administration (NAV calculation) & Transfer Agent services	Swedbank AS (reg. no. 10060701)
Auditor	KPMG Baltics OÜ (reg. no. 10096082)
Supervisor	Estonian Financial Supervision Authority
Investment managers	Valdur Jaht, Peter Priisalm, Rain Leesi
Fund established	25 November 2008
Start of the Fund's activities	17 December 2008
Report period	1 January 2022–31 December 2022

## MANAGEMENT REPORT

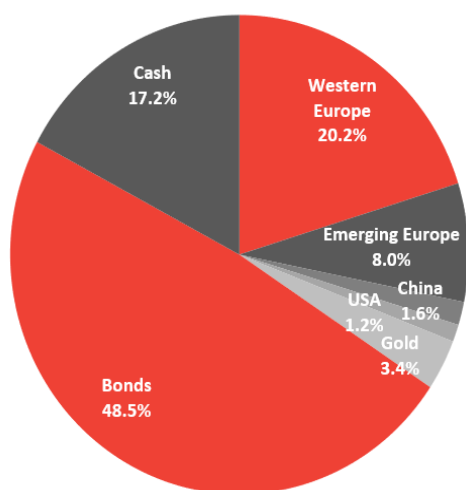
Avaron Flexible Strategies Fund (hereinafter: “the Fund”) is an actively managed fund set up for investors that wish to assign asset allocation decision making to Avaron. The Fund aims to grow the capital of private individuals and corporate investors over long term. The Fund has a global mandate with emphasis on European equity and fixed income markets. The Fund is an actively managed investment fund and mainly combines the best opportunities we find among listed equities, bonds and commodities. The share of each asset class and the Fund’s risk level vary over time in accordance with the views of Avaron investment managers. Investors’ interests are aligned with Avaron as the Fund’s investment managers are the largest investors of the Fund. Arising from the Fund's investment strategy an investor should have an investment horizon of at least 5 years.

**Avaron Flexible Strategies Fund lost 6.8% last year.** 2022 turned out to be a difficult year for most asset classes, the classic 60/40 portfolio, consisting of 60% stocks and 40% bonds, ended the year down 17.5% in \$, the worst year since 1937. Historically, price movement in equity markets has been in negative correlation to prices in fixed income. However, last year was a major outlier as both stocks and bonds not only fell, but also did so in a fairly comparable range. All major stock indices fell last year, with the global MSCI ACWI index ending the year down 14.8%. **Avaron Flexible Strategies Fund took on moderate equity risk last year, with the average share of equities in the portfolio at 32%, thus mitigating the effects of some of the negative moves in the broader stock market.**

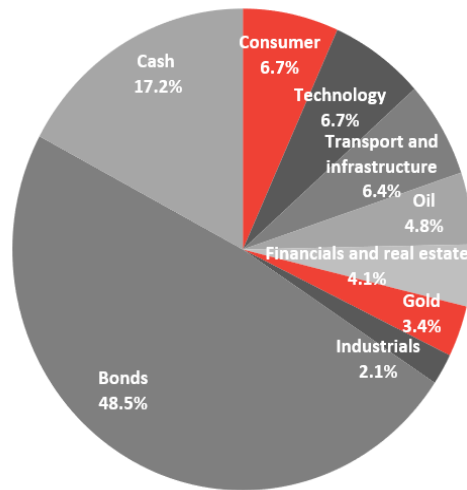
**Fixed income also fell in 2022,** as the Bloomberg Global Aggregate bond index fell 11% in €. Bonds in the Eurozone fared even worse, ending the year down 17%. The bond portfolio of our Flexible Strategies Fund significantly outperformed most major bond indices, posting a return of -0.2% for 2022, mostly thanks to well-timed positioning into credit instruments less susceptible to upward moves in interest rates.

**As of the end of the year 31% of the Fund’s portfolio was invested in equities, 48% in bonds 3.4% in gold and 17% in cash.** Regionally 41% of the Fund is invested in Western Europe, 34% in Eastern Europe and 8% outside of Europe. The Fund’s equity portfolio consists of 37 companies, which on average trade at 9.4x 2023 expected earnings and deliver a strong 5.5% dividend yield. We currently find the most interesting investment opportunities in Western Europe where we have allocated 20.2% of the Fund’s assets. Emerging Europe equities account for 8.0% of the portfolio, along with China and the US at 1.6% and 1.2%, respectively.

**Equities: Breakdown by country**



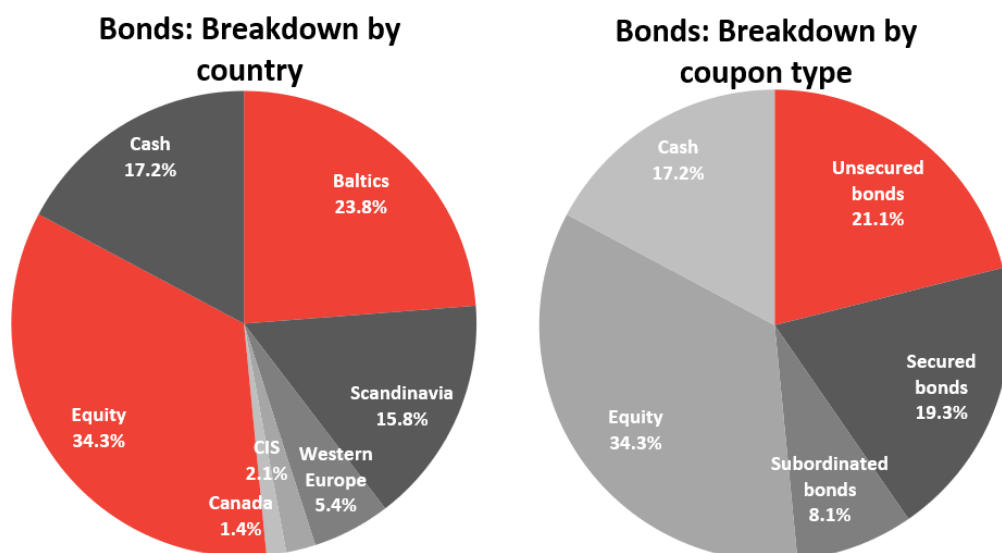
**Equities: Breakdown by sector**



**Following a strong correction in the prices of technology companies, we prefer the tech sector (6.7% of the portfolio) as well as fast growing consumer-driven companies (6.7% of the portfolio).** Nearly 6.4% of the portfolio is invested in high-dividend names among ports, gas and electricity distribution firms. We still hold oil and commodity names that continue to enjoy strong cash flows due to high energy prices. Historically the Fund's portfolio has been overweight dividend stocks, however, during the course of last year we took advantage of the selloff in growth names, which now make up 14.5% of the portfolio. In the event of further selling pressure we remain ready to increase our exposure to growth stocks even further.

**The bond portfolio, consisting of 46 bonds, trades at a 9.5% yield to maturity (including the cost of hedging FX) with an average duration of 3.9 years, which is a very attractive level considering the current yield environment.** Historically the Fund's YTM has ranged between 4.6% and 12.8%. The YTM has notably gone above 10% only at the very bottom of the market, in 2009, 2011 and 2020. In our view a peak in inflation will be reached in the coming months, after which we will see a significant drop in CPI throughout next year, which should be supportive for both fixed income and equities.

Geographically we are finding the best fixed income cases these days from Scandinavia and the Baltics. 19.3% of the Fund's bond portfolio is invested in secured bonds which are secured by the issuer's real estate, shares of a daughter company or the company's own assets. We have increased our exposure to floating-rate bonds to 19% while fixed-rate bonds make up 27.9% of the portfolio. It is also worth noting that 20% of the Fund's bond portfolio is due to reach maturity within the next 12 months, giving us considerable liquidity to reposition into new opportunities in either equities or credit.



**The ongoing bear market in both equities and fixed income has brought prices in equity markets to more attractive levels, particularly in Europe.** At the same time growing uncertainty in economic outlook along with higher inflation prompt us to take caution on the broader market. Given the current environment it is becoming increasingly difficult to forecast just how much global growth will slow as the Federal Reserve has signalled a willingness to keep hiking rates even in the event of a recession. The Fed's hawkishness here is understandable as around 50% of the inflation in the US is driven by services' inflation, for which tighter monetary policy is the only known remedy. Meanwhile the ECB may have to do less tightening as inflation in the Eurozone is largely driven by higher energy prices, which should in the event of a recession come down on their own.

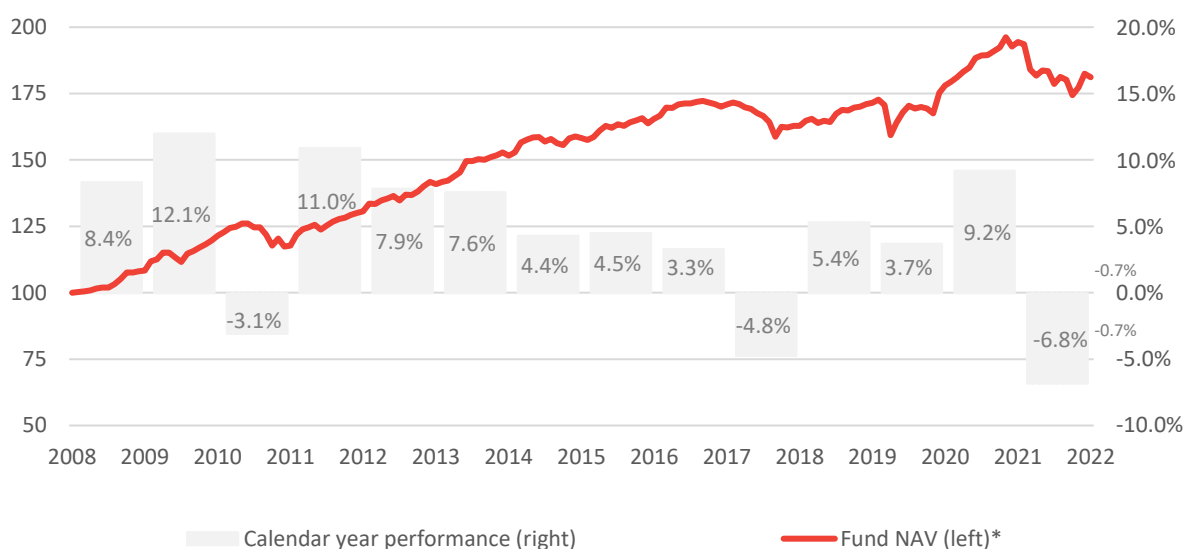
The past few months have seen analysts revise earnings' expectations across equity markets. However, the expected 2023 earnings' growth for companies in the MSCI ACWI index still stands at 7%, which seems like quite an optimistic scenario with the expectation of a quick recovery in the second half of the year. This leads us to see room for surprises to the downside for earnings in 2023.

**This year’s correction in bond prices and tech stocks has been significant enough to levels where some interesting opportunities are beginning to emerge.** However, we remain conservative when adding overall equity risk to the portfolio as the correction in earnings’ expectations is still ongoing. On the fixed income side, we are becoming increasingly constructive on longer duration debt, as the market has already priced in a significant rise in yields.

**In our view the likelihood of a recession along with lowered inflation has risen, which in turn would prompt central banks to loosen financial conditions once more.** Our focus when adding credit risk continues to be on high-yield bonds, utilizing our company specific analysis to avoid loss of capital due to default. We continue to prioritize diversification both in terms of asset class and sector, which helps to lower risks in times of uncertain market conditions.

	1 year	2 years	3 years	5 years	10 years
<b>Unit</b>	-6.8%	1.8%	5.6%	5.9%	38.7%

**Graph 1.** Performance of Fund’s NAV since launch



13 April 2023

Kristel Kivinurm-Priisalm  
Member of the Management Board

## CONFIRMATION OF ANNUAL FINANCIAL STATEMENTS OF 2022

The Management Board of the Fund Management Company has prepared the annual Financial Statements of Avaron Flexible Strategies Fund on 13 April 2023.

The Financial Statements have been prepared in compliance with the requirements stipulated in the Regulation (EC) No 1606/2002 of the European Parliament and of the Council on the application of International Financial Reporting Standards (hereinafter "IFRS") as adopted by the European Commission, the Investment Funds Act, Minister of Finance Regulation no 8 of 18/01/2017 "Requirements for the reports of investment funds to be published" and no 11 of 31/01/2017 "Procedure for Determination of Net Asset Value of Investment Funds" as established on the basis of the Investment Funds Act.

It gives a true and fair view of the assets, liabilities, net asset value and performance results of Avaron Flexible Strategies Fund. The Management Board considers Avaron Flexible Strategies Fund to carry its activities as a going concern.

The annual Financial Statements of Avaron Flexible Strategies Fund have been approved by the Fund Management Company and the investment managers.

<b>Name</b>	<b>Date</b>	<b>Signature</b>
<b>Kristel Kivinurm-Priisalm</b> <i>Member of the Management Board of the Fund Management Company</i>	13/04/2022	/signed digitally/
<b>Valdur Jaht</b> <i>Member of the Management Board of the Fund Management Company / Investment manager</i>	13/04/2022	/signed digitally/
<b>Peter Priisalm</b> <i>Investment manager</i>	13/04/2022	/signed digitally/
<b>Rain Leesi</b> <i>Investment manager</i>	13/04/2022	/signed digitally/

## FINANCIAL STATEMENTS

### BALANCE SHEET

In EUR

<b>ASSETS</b>	<b>Note</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Cash and cash equivalents	3; 4	2,044,439	1,883,713
Term deposits	3; 4	200,018	401,376
Financial assets at fair value through profit or loss:			
Shares and units	4	4,508,575	4,570,065
Bonds	4	6,009,778	4,939,247
Derivatives	4; 7	30,108	0
Financial assets at amortised cost through profit or loss:			
Loans and receivables			
Receivables and prepayments	4	166	13,419
Unlisted bonds	4	356,090	455,045
<b>TOTAL ASSETS</b>		<b>13,149,174</b>	<b>12,262,865</b>
<b>LIABILITIES</b>			
Financial liabilities at fair value through profit or loss:			
Derivatives	4; 7	0	39,976
Other financial liabilities			
Payables to the management company	4; 6	10,304	123,274
Payables to the depository	4	4,819	2,440
Other liabilities	4	2,792	1,854
<b>TOTAL LIABILITIES (except net assets attributable to holders)</b>		<b>17,915</b>	<b>167,544</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS</b>		<b>13,131,259</b>	<b>12,095,321</b>



## STATEMENT OF INCOME AND EXPENSES

In EUR

<b>INCOME</b>	<b>Note</b>	<b>01/01/2022- 31/12/2022</b>	<b>01/01/2021- 31/12/2021</b>
<b>Interest income</b>		<b>418,034</b>	<b>263,759</b>
From bonds		415,182	261,165
From deposits		2,852	2,594
<b>Dividend income</b>			
From shares and units		154,658	138,997
<b>Net gain/loss from financial assets at fair value through profit or loss</b>		<b>-1,257,854</b>	<b>675,925</b>
From shares and units	5	-843,589	674,314
From bonds	5	-371,488	51,675
From derivative instruments	5	-42,777	-50,064
<b>Net gain/loss from foreign exchange</b>		-40,921	83,004
<b>TOTAL INCOME</b>		<b>-726,083</b>	<b>1,161,685</b>
<b>OPERATING EXPENSES</b>			
Management fees	6	120,761	126,551
Performance fees	6	0	114,587
Custodian fees		27,828	24,628
Transaction fees		930	1,148
Other operating expenses		8,523	6,434
<b>TOTAL OPERATING EXPENSES</b>		<b>158,042</b>	<b>273,348</b>
<b>NET INCOME</b>		<b>-884,125</b>	<b>888,337</b>

## STATEMENT OF CHANGES IN NET ASSETS

In EUR

	<b>01/01/2022- 31/12/2022</b>	<b>01/01/2021- 31/12/2021</b>	<b>01/01/2020- 31/12/2020</b>
<b>NET ASSET VALUE AT THE BEGINNING OF THE PERIOD</b>	<b>12,095,321</b>	<b>9,584,520</b>	<b>10,195,421</b>
Cash received for fund units issued	2,314,908	1,783,512	95,541
Cash paid for fund units redeemed	-394,845	-161,048	-1,048,163
Net result of the Fund	-884,125	888,337	341,721
<b>NET ASSET VALUE AT THE END OF THE PERIOD</b>	<b><u>13,131,259</u></b>	<b><u>12,095,321</u></b>	<b><u>9,584,520</u></b>
	<b>31/12/2022</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Number of units in circulation at the end of the period:	<u>725,028.142</u>	<u>622,147.450</u>	<u>538,573.406</u>
Net asset value of an unit:	<u>18.1114</u>	<u>19.4412</u>	<u>17.7961</u>
Total net asset value of the units in circulation:	13,131,259	12,095,321	9,584,520

## STATEMENT OF CASH FLOWS

In EUR

	<b>01/01/2022- 31/12/2022</b>	<b>01/01/2021- 31/12/2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	394,643	225,537
Dividends received	160,695	137,601
Net result from foreign exchange	-140,930	101,341
Sale of investments	1,883,219	2,565,289
Purchase of investments	-3,774,703	-5,734,932
Operating expenses paid	-267,569	-199,863
	<b>-1,744,645</b>	<b>-2,905,027</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of units	2,314,908	1,783,512
Payments on redemption of units	-394,972	-160,921
	<b>1,919,936</b>	<b>1,622,591</b>
<b>TOTAL CASH FLOWS</b>	<b>175,291</b>	<b>-1,282,435</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at the beginning of the period	1,883,714	3,152,016
Effect of exchange rate fluctuations on cash and cash equivalents	-14,566	14,133
<b>Cash and cash equivalents at the end of the period</b>	<b>2,044,439</b>	<b>1,883,714</b>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. ACCOUNTING POLICIES AND ASSESSMENTS USED

The annual financial statements of Avaron Flexible Strategies Fund for 2022 have been prepared in compliance with the valid Investment Funds Act as supplemented by the regulations of the Minister of Finance. The financial statements have been prepared, as stipulated in the Minister of Finance Regulation 8 of 18/01/2017 “Requirements for the reports of investment funds to be published” in accordance with the accounting policies and information presentation principles of the International Financial Reporting Standards as approved by the European Commission while taking into account the specifications of the regulation and Rules for Calculating Net Asset Value of Funds.

The financial statements have been prepared in EUR, which is also Fund’s functional and presentation currency.

The main accounting principles used when preparing the financial statements have been set out below.

#### **The following standards and interpretations have been used for the current period**

The following amendments to the existing standards issued by the International Accounting Standards Board and adopted by the EU are effective for the current period:

- Amendment to IFRS 3 “Business Combinations” (effective for annual periods beginning on or after 1 January 2022),
- Amendments to IAS 16 “Property, Plant and Equipment” (effective for annual periods beginning on or after 1 January 2022),
- Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” (effective for annual periods beginning on or after 1 January 2022),
- Annual Improvements 2018-2020 (effective for annual periods beginning on or after 1 January 2022).

The adoption of these amendments to the existing standards has not led to any significant changes in the Fund’s accounting policies.

#### **Standards and Interpretations issued by IASB that are adopted by the EU but have not yet been implemented**

At present EU has approved the following standards, amendments to the existing standards and interpretations, which were not yet applicable:

- Amendments to IAS 1 “Presentation of Financial Statements” (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors” (effective for annual periods beginning on or after 1 January 2023).
- IFRS 17 “Insurance Contracts” (effective for annual periods beginning on or after 1 January 2023).
- Amendments to IAS 12 “Income Taxes” (effective for annual periods beginning on or after 1 January 2023)

The Fund has not applied the new standards or amendments before deadline. The new standards and amendments listed above may have an impact on Fund’s effective accounting principles. The Fund measures the potential impact on its financial reports.

### **Standards and interpretations issued by IASB but not yet adopted by the EU**

At present, the IFRS' as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except the following standards, amendments to the existing standards and interpretations, which were not endorsed for use as at date of publication of the financial statements:

- IFRS 16 "Leases" (applicable from financial years beginning on or after 1 January 2024);

The Fund has not estimated the impact on the new standards and amendments on its accounting principles and annual report.

### **Use of estimates and judgements**

The preparation of the financial statements calls for the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and judgements have been used according to the best knowledge based on prior experience and other factors that the management considers reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

Financial instruments are recognized in the balance sheet at fair value taking into account the principles stipulated in the Rules for Calculating Net Asset Value of Funds approved by the Management Board. The fair value of financial instruments quoted on actively traded markets is determined by the quoted prices. If the prices in active markets are not available other valuation models are being used according to the Rules for Calculating Net Asset Value of Funds. Main risks involved with the estimates and judgements that may affect the value of the Fund's assets and liabilities are related to measuring the fair value of financial instruments based on valuation models that use unobservable inputs.

### **Foreign currency transactions**

Foreign currency transactions are recorded using the last bid rate established by the depositary for the funds managed by AS Avaron Asset Management on the transaction date (hereinafter referred to as the depositary bid rate). This rate is based on market inputs. The assets and liabilities quoted in foreign currency are translated into EUR based on the depositary bid rate applicable on the reporting date.

Gains and losses from foreign currency transactions are recorded in the statement of income and expenses under "Gain/ (loss) from transactions in foreign currencies" on a net basis.

### **Financial instruments**

Financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets include cash, contractual right to receive cash or another financial assets (for example receivables) from another entity, equity instruments of another entity and contractual rights to exchange financial assets with another entity under potentially favourable conditions. Financial liabilities include contractual obligation to deliver cash or other financial assets to another entity or to exchange financial assets with another entity under potentially unfavourable conditions.

Financial assets and liabilities are initially recorded at cost, which is the fair value of the consideration paid or received to acquire the financial asset or liability. Financial instruments are later divided into three categories in accordance to the principles of IFRS 9 taking into account the measurement:

1. amortised cost;
2. fair value through other comprehensive income (FVOCI);
3. fair value through profit or loss (FVTPL).

The Fund does not hold financial assets measured at fair value through other comprehensive income.

### *Classification*

On initial recognition, the Fund classifies financial instruments at amortised cost or fair value through profit or loss. A financial instrument is measured at amortised cost if it is not designated as at FVTPL, it is held within a business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI). The classification and subsequent measurement depend on the business model for managing the financial assets and the contractual cash flow characteristics. The classification of financial assets is determined at initial recognition. The Fund has determined the following business models for managing financial assets:

- held-to-collect business model, which includes financial assets that are held to collect contractual cash flows,
- other business model, where financial assets are not held within a business model whose objective is to hold assets to collect contractual cash flows. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent purchases and sales taking place.

### *Recognition*

In the course of normal business activities investments into shares or units of funds, bonds and derivative instruments are recognised using the trade date accounting principles. Trade date is defined as the date when the Fund takes the obligation to buy or sell the financial instrument. Financial assets and liabilities are initially recognised at acquisition cost, which is the fair value of the consideration paid for the financial asset.

After initial recognition all the financial assets and liabilities are measured at fair value in the category “At fair value through profit or loss” or at amortised cost. Gains/ (losses) from the revaluation of securities are recorded in the statement of income and expenses under “Net gain/loss from financial assets at fair value through profit or loss”.

Dividend income from the financial assets at fair value through profit or loss are recorded in the statement of income and expenses under “Dividends” at the moment when the Fund’s right to the dividend is fixed.

### *Fair value of financial instruments*

Fair value is the price that would be received upon selling an asset or paid upon transferring a liability in an orderly transaction in the principal market (or the most advantageous market) between market participants at the measurement date, irrespective if the price is easily traceable or shall be determined using other valuation techniques. According to the fair value hierarchy stipulated in IFRS 13 the financial instruments at fair value shall be divided into three levels depending on the rate of observable inputs used:

- level 1 – unadjusted quoted prices in active market for identical assets or liabilities;
- level 2 – inputs other than quoted prices in level 1 that are observable directly or indirectly;
- level 3 – unobservable inputs for an asset or liability.

Observable inputs are inputs that are determined based on the market data (such as publicly available information about actual events or transactions) and that reflect assumptions which market participants would use when pricing an asset or a liability. When a fair value measurement is developed using inputs from multiple levels of the fair value hierarchy, the fair value measurement of that instrument shall fall entirely into the lowest level from which the inputs have been used.

If an instrument is traded on multiple regulated markets, based on professional judgement, the one that is most liquid and most representative is considered as the principal market.

Measuring the fair value of financial instruments is based on the Rules for Calculating Net Asset Value of Funds approved by the Management Board. General principles are the following:

- The market value of shares traded on a regulated market is determined on the basis of the official closing price on the reporting date. If the closing price is unavailable, the official mid price is used. If the mid price is also unavailable, the last official bid price is used.
- The value of a listed debt security shall be determined on the basis of the last known market quote. Avaron will determine which of the following reflects best the last known market quote representing the fair value of a debt security on the valuation date: last traded price on the regulated market or multilateral trading facility; last reported traded price based on the source of the financial data vendor currently used; mid-market price on the regulated market or multilateral trading facility; bid price on the regulated market or multilateral trading facility; mid-market price provided by sources of the financial data vendor currently used; bid price provided by sources of the financial data vendor currently used. Should market quotes for an instrument not be available or in the opinion of Avaron do not represent the actual value of a listed debt security, its value will be determined on the basis of the yield curve method. If yield curve method cannot be used due to the absence of reliable data or its low sample size, the amortized cost method shall be used.
- The value of options not traded on a regulated market is determined based on the Black & Scholes valuation model. The inputs that are necessary for the calculation are determined by the Fund Management Company after consulting with the counterparty of the option.

#### *Financial instruments at amortised cost*

At each reporting date the Fund recognises loss allowances for expected credit losses on financial assets measured at amortised cost. The loss allowance for a financial instrument is measured at an amount equal the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. When determining the credit risk, financial assets are divided into two categories. Financial assets that are determined to have low credit risk at the reporting date, and other financial assets for which credit risk has not increased significantly since initial recognition are classified to the first category. Financial assets which credit risk has increased significantly are classified to the second category. The Fund measures loss allowances for the first category instruments at an amount equal to 12-month expected credit losses. The second category instruments' loss allowances are measured at an amount equal to lifetime expected credit losses.

Unlisted bonds' credit risk is assessed individually. As the financial position of the issuers has not deteriorated and economic outlook remains favourable, there are no credit losses assessed on unlisted bonds in the application of IFRS 9. The Fund Management Company has applied regular evaluation process to financial assets measured at amortised cost, which includes, among other aspects, counterparties' payment behaviour, financial performance and overall outlook of the economic environment.

#### *Derecognition*

Securities are removed from the balance sheet when the Fund has lost control over the corresponding financial assets either as a result of selling them or expiry of their term. FIFO method is used in accounting for the realised gains/ (losses) from securities transactions. The line "Sales profit/ (loss)" in the statement of income and expenses indicates the difference between the sales amount of an instrument and the corresponding acquisition cost.

### **Offsetting**

Financial assets and liabilities are offset only when the Fund has a legal right to offset the amounts and it intends to use the right.

### **Cash and cash equivalents and cash flows**

Cash and cash equivalents comprise of the Fund's current accounts and over-night deposits that are subject to an insignificant risk of changes in their fair value.

Cash flows from operating activities are reported using the direct method.

### **Deposits**

Deposits comprise term deposits of credit institutions given that their maturity is less than 12 months. Deposits are initially recognised at acquisition cost and subsequently measured at amortized cost using the effective interest rate method.

### **Receivables**

Receivables include revenues calculated on the accrual basis but not yet collected, including dividend receivables and other accrued income. Miscellaneous receivables include receivables from unsettled sales transactions.

Receivables are initially recognised at fair value and subsequently recorded at amortized cost using the effective interest rate method from which any possible impairment loss has been deducted.

### ***Reverse-repo transactions***

Securities that are bought using reverse repurchase agreement (reverse-repo) are recognized under loans and prepayments to customers. The difference between the sales and repurchase price is considered as interest and is accrued during the contract period using effective interest rate method.

### **Other financial liabilities**

Other financial liabilities include management fee and performance fee payables to the Fund Management Company, depository fee and transaction fee payables to the depository. Liabilities also include payables to Fund unit holders for redeemed units. Miscellaneous liabilities include payables for securities purchase transactions.

Other financial liabilities are initially recognised at fair value and subsequently recorded at amortized cost using the effective interest rate method.

### **Fund units**

The fund has one type of units, which are reflected in the passive line of the fund's balance sheet "Net asset attributable to holders ". Units are issued on every banking day. Units are redeemed with either 7 calendar days' or 30 calendar days' advance notice, as may be chosen by redeeming Unitholder in his or her sole discretion. Switching Units is not allowed. The redemption price of a Unit shall depend on the notice period for fulfilling the redemption order, as chosen by the unit-holder. If the Unitholder has chosen a notice period of 7 calendar days, the redemption price shall be the net asset value of the Unit that is calculated as of the seventh calendar day following the day of receiving the redemption order. If the Unitholder has chosen a notice period of 30 calendar days, the redemption price shall be the net asset value of the Unit that is calculated as of the last Banking Day of the 30 calendar days immediately following the day of receiving the redemption order. In case the Unitholder redeems the Units with 7 calendar days' advance notice, a redemption fee is applicable. In case the Unitholder redeems the Units with 30 calendar days' advance notice, no redemption fee is applied.



The net asset value of a Unit is determined by dividing the total net asset value of a class of Units by the number of Units of that class that have been issued and not redeemed (adjusted by the number of Units from unsettled subscription and redemption orders that have been received by the management company).

The income of the Fund shall not be distributed to unit holders but shall be reinvested. A unit holder's profit or loss is reflected in the Unit's net asset value change.

### **Interest and dividend income**

Interest income is recognised on accrual basis using the effective interest rate method. It comprises reported interest from cash and cash equivalents, deposits and debt instruments at fair value through profit or loss.

Received dividends are recorded under "Dividends" at the moment when the shareholder's right to the dividend is fixed.

### **Operating expenses**

The operating expenses of the Fund include the management fee and performance fee payable to the management company, the depository fee payable to the Fund's depository, fund administration fees, fees to the registrar of fund units, transaction fees and other operating expenses stated in the Fund rules.

### **Related parties**

Parties that are considered as related parties to the Fund are the management company AS Avaron Asset Management, other investment funds managed by the management company, all the group companies, the Management Board of the Fund Management Company and their related parties. According to the Fund rules the Fund pays management fees to the management company on a monthly basis.

## NOTE 2. RISK MANAGEMENT

### Short Overview of the Investment and Risk Management Techniques

Avaron Flexible Strategies is an asset allocation fund targeting long-term capital growth through economic and market cycles by combining investments into various asset classes, industries and geographies. Predominant exposure of the Fund is invested in listed equities and exchange traded funds, listed and non-listed fixed income, and money market instruments or cash. The allocation to different asset classes depends on Avaron investment managers' views on valuation levels and available investment opportunities, and varies over time. As a result the risk level of the Fund also changes over time.

The Fund is mainly exposed to market risk, including currency risk, interest rate risk and price risk, credit risk and liquidity risk arising from the financial instruments it holds. Funds investing in equities are subject to loss of value because of weakness in the stock market, a particular industry, or specific holdings. Stock prices can decline for many reasons, including adverse political or economic developments, changes in investor psychology, heavy institutional selling, or historical and prospective earnings of the issuer.

Funds that invest in fixed income are subject to interest rate and credit risk. Interest rate risk arises from potential decline in bond prices that accompanies a rise in interest rates. Longer-maturity bonds typically decline more than those with shorter maturities. Credit risk is a chance that any fund holding could have its credit rating downgraded or that a bond issuer will default (fail to make timely payments of interest or principal).

Foreign securities carry additional risks, including exchange rate changes, adverse political and economic developments, differing regulatory environments and accounting standards.

Avaron has established procedures for internal risk management in order to identify, monitor, measure and, if necessary, hedge the risks associated with the Fund's investments. Avaron regularly examines that the Fund is in compliance with its investment restrictions. Portfolio diversification across sectors, countries, currencies and instruments alongside with liquidity analysis are the main risk management tools used. In addition, Avaron may use derivatives to reduce investment risks. Avaron's investment team actively follows financial results of issuers and makes relevant changes in the Fund's portfolio based on the Fund Managers' views of the economy and attractiveness of each financial instrument in respect to issuer specific risk.

#### Credit risk

Credit risk refers to the risk that the issuer of a security where the Fund has invested or the counterparty to a transaction on account of the Fund fails to perform its obligations either fully or partially (e.g. an issuer fails to redeem the issued debt obligations, a counterparty to a trade does not deliver the securities or cash during the settlement, a counterparty defaults on a loan granted by the Fund), causing damage to the Fund.

Maximum exposure to credit risk as of the end of the period in EUR:

	31/12/2022	% of NAV	31/12/2021	% of NAV
Cash and cash equivalents	2,044,439	15.57%	1,883,713	15.56%
Term deposits	200,018	1.52%	401,376	3.32%
Corporate bonds	5,601,918	42.66%	4,579,489	37.86%
Receivables and prepayments	166	0.00%	13,419	0.11%
Unlisted bonds	763,950	5.82%	814,803	6.74%
<b>TOTAL</b>	<b>8,610,491</b>	<b>65.57%</b>	<b>7,692,800</b>	<b>63.59%</b>

The following table presents information related to the Fund's financial derivative instruments assets and liabilities by counterparty net of amounts available for offset under ISDA agreements and net of related collateral received or pledged by the Fund as of the end of the period in EUR:

**31/12/2022**

Counterparty	Credit Rating	Gross Amounts of Liabilities in the Balance Sheet	Gross Amount Not Offset in the Balance Sheet			Net Amount
			Derivative Financial Instruments Available to Offset	Cash Collateral Pledged	Non-Cash Collateral	
Swedbank AS	A+ (S&P) - Swedbank AB	30,108	-	-	-	30,108
<b>TOTAL</b>		<b>30,108</b>	-	-	-	<b>30,108</b>

**31/12/2021**

Counterparty	Credit Rating	Gross Amounts of Liabilities in the Balance Sheet	Gross Amount Not Offset in the Balance Sheet			Net Amount
			Derivative Financial Instruments Available to Offset	Cash Collateral Pledged	Non-Cash Collateral	
Swedbank AS	A+ (S&P) - Swedbank AB	-36,074	-	-	-	-36,074
AS SEB Pank	A+ (S&P) - Skandinaviska Enskilda Banken AB	-3,903	-	-	-	-3,903
<b>TOTAL</b>		<b>-39,976</b>	-	-	-	<b>-39,976</b>

The Fund's assets are invested in bonds that are transferable. The Fund Management Company conducts a thorough credit risk analysis of the issuers of the bonds by analysing the financial data and studying the terms of the issue (prospectus).

Allocation of bonds according to Standard & Poor's credit rating scale in EUR:

	<b>31/12/2022</b>	<b>% of NAV</b>	<b>31/12/2021</b>	<b>% of NAV</b>
BB+	284,231	2.16%	0	0.00%
B+	385,674	2.94%	365,104	3.02%
B	268,802	2.05%	199,674	1.65%
No Rating	5,427,161	41.33%	4,829,514	39.94%
<b>TOTAL</b>	<b>6,365,868</b>	<b>48.48%</b>	<b>5,394,292</b>	<b>44.61%</b>

The Fund's cash and cash equivalents are held with the Fund's depository Swedbank AS, which parent company Swedbank AB is rated A+ as of 30/03/2022 by Standard & Poor's and with AS SEB Pank, which parent company Skandinaviska Enskilda Banken AB is rated A+ as of 11/07/2022 by Standard & Poor's. Term deposits are held with Bigbank AS

### Liquidity risk

Liquidity risk refers to the risk that due to low liquidity a financial instrument cannot be sold at the desired time, at the desired price or there is no market (buyer) at all. Liquidity risk is particularly relevant in case of investing into small cap companies and instruments not traded on a regulated securities market. The Fund's financial assets include unlisted bond investments, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its unlisted instruments in due time to meet its liquidity requirements.

Liquidity risk is managed through regular liquidity analysis and limitations on estimated exit times from positions and analysis of aggregate ownership in share capital and free float. Regular liquidity stress tests are performed to assess the adequacy of the Fund's liquidity profile.

Maximum exposure to financial liabilities according to the maturity as of the end of the period in EUR:

	<b>Up to 3 days</b>		<b>Up to 1 month</b>		<b>Over 1 month</b>	
	<b>31/12/2022</b>	<b>31/12/2021</b>	<b>31/12/2022</b>	<b>31/12/2021</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Payables to the management company	-	-	10,304	123,274	-	-
Payables to the depository	-	-	4,819	2,440	-	-
Payments on redemption of units	-	126	-	-	-	-
Other liabilities	-	-	-	-	2,792	1,854
<b>Net Assets attributable to Holders</b>	<b>-</b>	<b>126</b>	<b>15,123</b>	<b>125,714</b>	<b>2,792</b>	<b>1,854</b>

The Fund maintains a credit line of 1,000,000 EUR that can be accessed to meet short-term liquidity needs. These resources have not been used as of 31/12/2022.

Positions that may take more than 20 days to liquidate based on the six month average trading volume (30% of trading volume).

Instrument	Sector	Country	% of NAV	
			31/12/2022	31/12/2021
CAPITALICA BALT 6.50% 30.10.23	Real Estate	Lithuania	2.31%	2.54%
BULGARIA REAL ESTATE FUND	Real Estate	Bulgaria	1.75%	1.89%
INVESTMIRA 6.000% 28.12.2023 <sup>1</sup>	Real Estate	Lithuania	1.57%	1.65%
ADMIRAL MK ALLUT 8% 05.02.31	Financials	Estonia	1.55%	1.75%
ADVANZIA FRN SUBORD 24.03.31	Financials	Luxembourg	1.49%	1.64%
INBANK SUBORDINATED 19.12.2029	Financials	Estonia	1.32%	1.49%
LHV GROUP SUBORDIN 28.11.28	Financials	Estonia	1.26%	1.43%
MAINOR ULEMISTE 5.5% 05.04.23	Real Estate	Estonia	1.14%	1.28%
WALDORF 9.75% 01.10.2024 <sup>1</sup>	Energy	United Kingdom	0.98%	-
NOR5KE VIKING FRN 03.05.2024 <sup>1</sup>	Communication Services	Norway	0.96%	1.10%
SEAMLESS DISTR FRN 05.05.2024	IT	Sweden	0.86%	1.07%
IUTECR 13.000% 07.08.2023	Financials	Luxembourg	0.78%	-
ELKO GRUPA 6% 12.02.2026	IT	Latvia	0.78%	0.87%
COOP PANK 10% PERP 2022 AT1 <sup>1</sup>	Financials	Estonia	0.78%	-
MEDIA AND GAMES FRN 27.11.2024	Communication Services	Malta	0.73%	1.70%
GL AGRAJES FRN EUR 22.12.2025	Materials	Spain	0.76%	-
AXACTOR FRN 15.09.2026	Financials	Norway	0.67%	0.81%
HKSCAN 5% 24.03.2025	Consumer Staples	Finland	0.65%	0.85%
IUTECR 11.000% 06.10.2026	Financials	Luxembourg	0.65%	0.79%
MAINOR EUR 4.75% 10.06.2026	Real Estate	Estonia	0.60%	0.68%
DDM DEBT 9% 20.04.2026	Financials	Sweden	0.53%	-
Specialist VC Primary and Secondary Fund II	Equity funds	Estonia	0.27%	-
MERAKI 5.000% 19.11.2022 EUR	Real Estate	Lithuania	-	0.91%
ESTO HOLDINGS 9.000% 22.11.2024	Financials	Estonia	-	0.83%
ARCO VARA 10% 13.12.2022 EUR <sup>1</sup>	Real Estate	Estonia	-	0.83%
DELFINGROUP 9.750% 25.08.2023	Financials	Latvia	-	0.82%
CENTRALNIC FRN 03.07.2023	IT	United Kingdom	-	1.72%
LHV PANK 6.000% 30.09.2030	Financials	Estonia	-	0.70%
BALTIC HORIZON 4.250% 08.05.23	Real Estate	Estonia	-	1.66%
<b>TOTAL</b>			<b>22.41%</b>	<b>29.01%</b>

<sup>1</sup>Bonds not traded on a regulated market

As many trades with fixed income instruments are made over the counter then the actual trading volume data may be not publicly available. For the fixed income instruments for which reliable trading data is not available, it is assumed 0.1% of the amount outstanding is being traded on daily basis. Based on the relevant decision by the Investment Manager relating to specific debt instrument a more conservative assumption may still be used. In this case the instrument shall be assumed not to be sellable before maturity.

**Market risk**

Market risk refers to the risk of suffering losses due to adverse price movements at a specific securities market or a market for other assets. Adverse price movements may be caused by a country's weak economic indicators, poor financial results of an business sector, volatile securities market, investors' behaviour and psychology and other factors.

Diversification among sectors, countries, currencies and instruments are the main risk management tools used by the Fund to address market risk.

**Currency risk**

The Fund is open to foreign currency risk. Currency breakdown of the Fund's assets in EUR:

	<b>31/12/2022</b>	<b>% of Assets</b>	<b>31/12/2021</b>	<b>% of Assets</b>
EUR	9,095,726	69.17%	8,059,334	65.72%
USD	1,284,930	9.77%	1,701,917	13.88%
NOK	807,942	6.14%	789,566	6.44%
SEK	831,930	6.33%	582,836	4.75%
BGN	460,307	3.50%	452,439	3.69%
GBP	294,002	2.24%	157,567	1.28%
PLN	191,560	1.46%	189,734	1.55%
RON	180,389	1.37%	170,229	1.39%
RSD	2,388	0.02%	2,383	0.02%
TRY	0	0.00%	112,776	0.92%
RUB	0	0.00%	44,084	0.36%
<b>TOTAL</b>	<b>13,149,174</b>	<b>100.00%</b>	<b>12,262,865</b>	<b>100.00%</b>

Taking into account the derivatives contracts, net FX positions as per currency were the following:

	<b>31/12/2022</b>	<b>% of Assets</b>	<b>31/12/2021</b>	<b>% of Assets</b>
NOK	807,942	6.14%	679,900	5.54%
SEK	831,930	6.33%	582,836	4.75%
USD	666,624	5.07%	1,145,096	9.34%
BGN	460,307	3.50%	452,439	3.69%
GBP	294,002	2.24%	157,567	1.28%
PLN	191,560	1.46%	189,734	1.55%
RON	180,389	1.37%	170,230	1.39%
RSD	2,389	0.02%	2,383	0.02%
TRY	0	0.00%	112,776	0.92%
RUB	0	0.00%	44,084	0.36%
<b>TOTAL</b>	<b>3,435,143</b>	<b>26.13%</b>	<b>3,537,045</b>	<b>28.84%</b>

*Currency risk sensitivity analysis*

Fund's net asset value would have been affected by the weakening of foreign currencies against EUR on 31 December 2022. The sensitivity analysis assumes the weakening of foreign currency rates 10% against EUR. Below table illustrates the maximum weakening of foreign currency in the magnitude of the change from the higher to lower value since the launch of the fund on December 17, 2008. The analysis assumes that all the other variables remain constant. Analysis for 31 December 2021 has been made using the same assumptions.

The impact on net assets attributable to Fund's unit holders and net income:

	31/12/2022			31/12/2021		
	Impact in EUR (-10% weakening)	Maximum annual currency weakening	Currency's % of NAV	Impact in EUR (-10% weakening)	Maximum annual currency weakening	Currency's % of NAV
NOK	-80,794	-25%	6.14%	-67,990	-25%	5.54%
SEK	-83,193	-12%	6.33%	-58,284	-12%	4.75%
USD	-66,662	-20%	5.07%	-114,510	-20%	9.34%
BGN	-46,031	0%	3.50%	-45,244	0%	3.69%
GBP	-29,400	-23%	2.24%	-15,757	-23%	1.28%
PLN	-19,156	-16%	1.46%	-18,973	-16%	1.55%
RON	-18,039	-9%	1.37%	-17,023	-9%	1.39%
RSD	-239	-18%	0.02%	-238	-18%	0.02%
TRY	0	0%	0.00%	-11,278	0%	0.92%
RUB	0	0%	0.00%	-4,408	0%	0.36%
<b>TOTAL</b>	<b>-343,514</b>		<b>26.13%</b>	<b>-353,705</b>		<b>28.84%</b>

*Instrument's price risk*

Price risk is closely related to market risk but mainly affects a specific security or investment. Price risk is the risk of suffering losses due to adverse price movements of a specific stock or another investment. The price of a specific security is affected by developments in the issuer's financial results, changes in the competitive environment, analyst estimates and commentaries, etc.

Concentration of risk of the Fund's investments based on sectors as of the end of the period in EUR:

	31/12/2022	% of NAV	31/12/2021	% of NAV
Financials	2,738,867	20.87%	1,991,869	16.48%
Real Estate	1,757,127	13.38%	1,915,240	15.83%
Industrial	1,369,284	10.42%	1,318,223	10.90%
Energy	1,267,490	9.65%	1,058,920	8.75%
IT	993,877	7.57%	897,409	7.42%
Communication Services	640,633	4.88%	711,325	5.88%
Commodities	450,601	3.43%	421,079	3.48%
Consumer Staples	456,244	3.47%	698,180	5.77%
Consumer Discretionary	370,216	2.82%	350,588	2.90%
Utilities	425,636	3.24%	250,047	2.07%
Health Care	119,822	0.91%	155,337	1.28%
Materials	249,441	1.90%	196,140	1.62%
Equity funds	35,205	0.27%	0	0.00%
<b>TOTAL</b>	<b>10,874,443</b>	<b>82.81%</b>	<b>9,964,357</b>	<b>82.38%</b>

Concentration of risk of the Fund's investments based on geographic location as of the end of the period in EUR:

	<b>31/12/2022</b>	<b>% of NAV</b>	<b>31/12/2021</b>	<b>% of NAV</b>
Estonia	2,316,124	17.64%	1,640,508	13.56%
Sweden	1,378,746	10.50%	1,189,754	9.84%
Germany	1,116,358	8.50%	992,487	8.21%
Norway	1,016,500	7.74%	862,906	7.13%
Lithuania	958,021	7.30%	730,721	6.04%
United Kingdom	670,125	5.10%	729,590	6.03%
Luxembourg	656,556	5.00%	581,102	4.80%
France	355,168	2.70%	399,181	3.30%
Malta	287,371	2.19%	205,306	1.70%
Bulgaria	230,413	1.75%	228,108	1.89%
Finland	144,792	1.10%	203,995	1.69%
China	205,622	1.57%	241,330	2.00%
Netherlands	187,424	1.43%	109,044	0.90%
Latvia	319,689	2.43%	205,315	1.70%
Canada	180,274	1.37%	-	-
Spain	190,222	1.45%	210,776	1.74%
Romania	158,250	1.21%	170,230	1.41%
USA	152,631	1.16%	46,523	0.38%
Austria	227,177	1.73%	212,288	1.76%
Italy	122,980	0.94%	-	-
Russia	-	-	574,845	4.75%
Jersey	-	-	211,494	1.75%
Turkey	-	-	112,776	0.93%
Poland	-	-	106,078	0.88%
<b>TOTAL</b>	<b>10,874,443</b>	<b>82.81%</b>	<b>9,964,357</b>	<b>82.38%</b>

*Instrument's price risk sensitivity analysis*

Sensitivity analysis is based on standard deviation of the Fund since launch, whereas the Fund's risk profile has been calculated based on normal distribution. The analysis assumes that all the other variables remain constant. Analysis as per 31 December 2021 has been made with using the same assumptions.

	<b>Probability</b>	<b>+/- possible change of Fund's NAV during year</b>	
		<b>31.12.2022</b>	<b>31.12.2021</b>
$\sigma$	68.27%	3.43%	3.06%
$2\sigma$	95.45%	6.87%	6.12%
$3\sigma$	99.73%	10.30%	9.18%



**NOTE 3. CASH AND CASH EQUIVALENTS****Deposits in EUR**

	<b>31/12/2022</b>	<b>% of NAV</b>	<b>31/12/2021</b>	<b>% of NAV</b>
Deposits, Bigbank AS	200,000	1.52%	401,100	3.32%
<b>TOTAL*</b>	<b>200,000</b>	<b>1.52%</b>	<b>401,100</b>	<b>3.32%</b>

\* "Term deposits" in balance sheet include also accrued interest in the amount of 17.81 EUR as at 31/12/2022 and 275.88 EUR as at 31/12/2021. Deposits' maturity is between 1-12 months and interest rates vary from 0.35-1.00%.

**Cash and cash equivalents by currency**

	<b>31/12/2022</b>	<b>% of NAV, converted into EUR</b>	<b>31/12/2021</b>	<b>% of NAV, converted into EUR</b>
<b>Swedbank AS</b>		<b>10.62%</b>		<b>8.95%</b>
EUR	806,087	6.14%	613,012	5.07%
BGN	449,651	1.75%	438,767	1.85%
PLN	898,571	1.46%	384,854	0.69%
USD	70,961	0.50%	124,960	0.91%
NOK	589,727	0.43%	46,786	0.04%
RON	109,480	0.17%	-	-
SEK	164,352	0.11%	17,188	0.01%
GBP	4,601	0.04%	-	-
RSD	280,382	0.02%	280,382	0.02%
RUB	-	-	3,749,311	0.36%
<b>AS SEB Pank</b>		<b>4.95%</b>		<b>4.13%</b>
EUR	649,994	4.95%	500,023	4.13%
<b>Luminor Bank AS</b>				<b>2.48%</b>
EUR	-	-	300,001	2.48%
<b>TOTAL</b>		<b>15.57%</b>		<b>15.56%</b>

The Fund's cash and cash equivalents are held with the Fund's depository Swedbank AS, which parent company Swedbank AB is rated A+ as of 30/03/2022 by Standard & Poor's and with AS SEB Pank, which parent company Skandinaviska Enskilda Banken AB is rated A+ as of 11/07/2022 by Standard & Poor's. Term deposits are held with Bigbank AS.

**NOTE 4. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES TO CATEGORIES AND LEVELS**

In EUR

31/12/2022	Measured at fair value through profit or loss			Financial assets at amortised cost			Financial liabilities at amortised cost		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>ASSETS</b>									
Cash and cash equivalents	-	-	-	2,044,439	-	-	-	-	-
Term deposits	-	-	-	200,018	-	-	-	-	-
Shares and units	4,473,370	35,205	-	-	-	-	-	-	-
Bonds	4,930,928	-	520,916	150,073	-	-	-	-	-
Derivative instruments	-	30,108	-	-	-	-	-	-	-
Unlisted bonds	254,545	-	303,389	-	-	206,017	-	-	-
Dividend receivable	-	-	-	166	-	-	-	-	-
Trade settlement receivable	-	-	-	-	-	-	-	-	-
<b>LIABILITIES</b>									
Derivative instruments	-	-	-	-	-	-	-	-	-
Payables to the management company	-	-	-	-	-	-	-	10,304	-
Payables to the depository	-	-	-	-	-	-	-	4,819	-
Other liabilities	-	-	-	-	-	-	-	2,792	-
<b>TOTAL</b>	<b>9,658,843</b>	<b>65,313</b>	<b>824,305</b>	<b>2,394,696</b>	<b>-</b>	<b>206,017</b>	<b>-</b>	<b>17,915</b>	<b>-</b>

\* Liabilities are carried in the balance sheet under "Other liabilities".

Additional information for instruments categorised under Level 3

Starting balance of Level 3 instruments	702,438
Transfers from level 1 to level 3	100,000
Purchases	516,700
Sales	-300,000
Total gains/losses	236
Interest received	-2,673
Interest accrued	13,621
<b>Total level 3 investments</b>	<b>1,030,322</b>

According to the estimates of the Fund Management Company the carrying value of financial assets and liabilities at amortised cost amounts approximate fair value. There have been no transfers of the assets designated as at fair value from one level to another as of the end of the period.

Avaron Flexible Strategies Fund

In EUR

31/12/2021	Measured at fair value through profit or loss			Financial assets at amortised cost			Financial liabilities at amortised cost		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>ASSETS</b>									
Cash and cash equivalents	-	-	-	1,883,713	-	-	-	-	-
Term deposits	-	-	-	401,376	-	-	-	-	-
Shares and units	4,570,065	-	-	-	-	-	-	-	-
Bonds	4,022,950	-	401,966	154,573	-	-	-	-	-
Unlisted bonds	514,331	-	-	-	-	300,472	-	-	-
Dividend receivable	-	-	-	13,419	-	-	-	-	-
Trade settlement receivable	-	-	-	-	-	-	-	-	-
<b>LIABILITIES</b>									
Derivative instruments	-	39,976	-	-	-	-	-	-	-
Payables to the management company	-	-	-	-	-	-	-	123,274	-
Payables to the depository	-	-	-	-	-	-	-	2,440	-
Payments on redemption of units*	-	-	-	-	-	-	-	126	-
Other liabilities	-	-	-	-	-	-	-	1,728	-
<b>TOTAL</b>	<b>9,107,346</b>	<b>39,976</b>	<b>401,966</b>	<b>2,453,081</b>	<b>-</b>	<b>300,472</b>	<b>-</b>	<b>127,568</b>	<b>-</b>

\* Liabilities are carried in the balance sheet under "Other liabilities".

Additional information for instruments categorised under Level 3

Starting balance of Level 3 instruments	448,744
Transfers from level 3 to level 1	-150,000
Purchases	599,920
Sales	-196,698
Total gains/losses	998
Interest received	-3,045
Interest accrued	2,519
<b>Total level 3 investments</b>	<b>702,438</b>

According to the estimates of the Fund Management Company the carrying value of financial assets and liabilities at amortised cost amounts approximate fair value. There have been no transfers of the assets designated as at fair value from one level to another as of the end of the period.

## NOTE 5. NET GAIN/LOSS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

In EUR

	01/01/2022- 31/12/2022	01/01/2021- 31/12/2021
<b>Net gain/loss from financial assets at fair value through profit or loss</b>		
<b>From shares and units</b>		
Sales profit/(-loss)	218,482	228,212
Unrealised profit /(-loss)	-1,062,071	446,102
<b>From bonds</b>		
Sales profit/(-loss)	41,884	74,527
Unrealised profit /(-loss)	-413,372	-22,852
<b>From derivative instruments</b>		
Sales profit/(-loss)	-112,861	116,945
Unrealised profit /(-loss)	70,084	-167,009
<b>Total net gain/(-loss)</b>	<b>-1,257,854</b>	<b>675,925</b>

## NOTE 6. TRANSACTIONS WITH RELATED PARTIES

In addition to the Fund Management Company, companies belonging to the same group, other investment funds managed by the Management Company and shareholders of the Management Company are considered to be related parties to the Fund.

Consolidation exception applies for the Fund as it corresponds to Investment Entity's definition introduced in IFRS 10. The Fund carries its investment in Avaron Flexible Strategies Fund at fair value through profit or loss.

Transactions with related parties in EUR were as follows:

	<b>01/01/2022- 31/12/2022</b>	<b>01/01/2021- 31/12/2021</b>
<b>Fund Management Company</b>		
Paid management and performance fees	120,761	241,137
Units bought	406,685	-
<b>Other investment funds managed by the Fund Management Company</b>		
Purchase of securities	-	79,728
<b>Other entities belonging to the consolidation group of the Fund Management Company</b>		
Units bought	406,685	200,000
<b>TOTAL</b>	<b>934,131</b>	<b>520,865</b>

The balances outstanding with related parties were as follows:

	<b>31/12/2022</b>	<b>31/12/2021</b>
<b>Fund Management Company</b>		
Management and performance fee payable	10,304	123,274
<b>TOTAL</b>	<b>10,304</b>	<b>123,274</b>

Related parties of the Fund Management Company owned the units of Avaron Flexible Strategies Fund in market value as follows:

	<b>31/12/2022</b>	<b>31/12/2021</b>
Ultimate parent of the Fund Management Company	1,872,126	1,803,562
Fund Management Company	0	451,637
Other group entities	420,745	206,022
<b>TOTAL</b>	<b>2,292,871</b>	<b>2,461,221</b>

**NOTE 7. DERIVATIVE INSTRUMENTS**

In EUR  
31/12/2022

Type of Instrument	Issuer of Instrument	Quantity of underlying	The underlying currency	Exercise date	Price of Instrument / premium	Exercise price		Market value		Equity of the issuer of the instrument
						Per unit	Total	Date	Total	
Swap	Swedbank AS	618,306	EUR	10/05/2023	1.0000	1.0000	618,306	31/12/2022	-	EUR 1,574,369,000
		635,000	USD	10/05/2023	0.9263	0.9737	618,306	31/12/2022	30,108	EUR 1,574,369,000
<b>TOTAL</b>									<b>30,108</b>	

**Collateral and margin accounts received and paid by the Fund in respect of financial derivative instruments**

No collateral was pledged or received at the end of 31/12/2022.

In EUR  
31/12/2021

Type of Instrument	Issuer of Instrument	Quantity of underlying	The underlying currency	Exercise date	Price of Instrument / premium	Exercise price		Market value		Equity of the issuer of the instrument
						Per unit	Total	Date	Total	
Swap	Swedbank AS	520,748	EUR	06/05/2022	1.0000	1.0000	520,748	31/12/2021	-	EUR 1,817,264,000
		635,000	USD	06/05/2022	0.8769	0.8201	520,748	31/12/2021	-36,074	EUR 1,817,264,000
Forward	AS SEB Pank	105,762	EUR	09/02/2022	1.0000	1.0000	105,762	31/12/2021	-	EUR 858,897,000
		1,100,000	NOK	09/02/2022	0.0997	0.0961	105,762	31/12/2021	-3,903	EUR 858,897,000
<b>TOTAL</b>									<b>-39,976</b>	

**Collateral and margin accounts received and paid by the Fund in respect of financial derivative instruments**

No collateral was pledged or received at the end of 31/12/2021.

## STATEMENT OF INVESTMENTS

In EUR 31/12/2022

Name	ISIN	Emitent country	Rating agency	Rating	FX	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
<b>SHARES</b>										
<b>SHARES LISTED ON STOCK EXCHANGE:</b>										
BP PLC-SPONS ADR	US0556221044	GB	S&P	A-	USD	22.34	173,133	32.63	252,856	1.93%
ENEFIT GREEN AKTSIA	EE3100137985	EE			EUR	3.95	197,722	4.38	218,900	1.67%
EURONEXT NV	NL0006294274	NL	S&P	BBB+	EUR	84.65	229,394	69.16	187,424	1.43%
IGNITIS GRUPE AB	LT0000115768	LT	S&P	BBB+	EUR	19.89	172,037	19.02	164,523	1.25%
SAGE GROUP PLC	GB00B8C3BL03	GB	S&P	BBB+	GBP	7.39	138,906	8.43	158,459	1.21%
OMV PETROM SA	ROSNPPACNOR9	RO			RON	0.06	118,403	0.08	158,250	1.21%
OMV AG	AT0000743059	AT	Fitch	A-	EUR	19.20	60,049	48.10	150,457	1.15%
HUSQVARNA AB-B	SE0001662230	SE	S&P	BBB	SEK	6.55	149,689	6.55	149,553	1.14%
ENGIE LOYALTY 2023	FR0010208488	FR	S&P	BBB+	EUR	9.29	97,564	13.39	140,574	1.07%
SAP SE	DE0007164600	DE	S&P	A	EUR	94.70	129,744	96.39	132,054	1.01%
SWEDBANK AB	SE0000242455	SE	S&P	A+	SEK	12.61	100,872	15.87	126,961	0.97%
VISA INC	US92826C8394	US	S&P	AA-	USD	182.94	118,914	194.06	126,138	0.96%
TECHNOGYM SPA	IT0005162406	IT			EUR	6.90	118,613	7.15	122,980	0.94%
TALLINK GRUPP AS	EE3100004466	EE			EUR	0.81	188,998	0.52	122,102	0.93%
TALLINNA SADAM AS	EE3100021635	EE			EUR	1.73	145,473	1.42	119,424	0.91%
FIELMANN AG	DE0005772206	DE			EUR	53.20	164,926	37.02	114,762	0.87%
HAMBURGER HAFEN UND LOGISTIK	DE000A0S8488	DE			EUR	16.42	155,174	11.90	112,455	0.86%
CENTRALNIC GROUP PLC	GB00BCCW4X83	GB			GBP	0.84	46,244	1.76	96,993	0.74%
AENA SME SA	ES0105046009	ES	Fitch	A-	EUR	136.78	105,317	117.30	90,321	0.69%
DANONE SA	FR0000120644	FR	S&P	BBB+	EUR	55.17	99,303	49.23	88,614	0.67%
CTS EVENTIM AG and CO KGAA	DE0005470306	DE			EUR	37.47	50,584	59.60	80,460	0.61%
KRONES AG	DE0006335003	DE			EUR	65.55	49,164	105.00	78,750	0.60%
LENZING AG	AT0000644505	AT			EUR	46.04	64,460	54.80	76,720	0.58%
AIR LIQUIDE SA	FR0000120073	FR	S&P	A	EUR	115.86	63,724	132.40	72,820	0.55%
RAYSEARCH LABORATORIES AB	SE0000135485	SE			SEK	8.34	97,191	6.09	70,910	0.54%
SIXT SE PRFD	DE0007231334	DE			EUR	41.01	47,159	54.50	62,675	0.48%
KONE OYJ	FI0009013403	FI			EUR	47.84	58,847	48.30	59,409	0.45%
THULE GROUP AB	SE0006422390	SE			SEK	23.38	64,289	19.49	53,588	0.41%
JCDECAUX SA	FR0000077919	FR	S&P	BBB-	EUR	16.66	49,989	17.72	53,160	0.40%
FRESENIUS MEDICAL CARE AG	DE0005785802	DE	S&P	BBB	EUR	63.05	100,881	30.57	48,912	0.37%
ALIBABA GROUP HOLDING LTD	US01609W1027	CH	S&P	A+	USD	192.58	101,103	82.28	43,198	0.33%

**Statement of investments as of 31/12/2022 (continued)**

Name	ISIN	Emitent country	Rating agency	Rating	FX	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
<b>SHARES</b>										
<b>SHARES LISTED ON STOCK EXCHANGE:</b>										
ADIDAS AG	DE000A1EWWW0	DE	S&P	A+	EUR	202.11	56,591	127.46	35,689	0.27%
EUROCELL PLC	GB00BVV2KN49	GB			GBP	2.60	51,911	1.67	33,348	0.25%
HERMAN MILLER INC	US6005441000	US	S&P	BB	USD	20.47	27,637	19.62	26,493	0.20%
DETSKY MIR PJSC	RU000A0JSQ90	RU			USD	1.56	194,704	0.00	0	0.00%
MAGNIT PJSC	RU000A0JKQU8	RU			USD	86.94	199,965	0.00	0	0.00%
POLYUS PJSC	RU000A0JNAA8	RU	Fitch	WD	USD	167.76	100,655	0.00	0	0.00%
<b>SHARES TOTAL</b>						<b>4,089,326</b>			<b>3,629,932</b>	<b>27.64%</b>
Name	ISIN	Fund country	Fund Management Company		FX	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
<b>FUNDS</b>										
<b>CLOSED-END FUNDS LISTED ON STOCK EXCHANGE:</b>										
BULGARIA REAL ESTATE FUND	BG1100001053	BG	REAL ESTATE MANAGEMENT LTD		BGN	0.80	180,932	1.02	230,413	1.75%
<b>CLOSED-END FUNDS TOTAL</b>						<b>180,932</b>			<b>230,413</b>	<b>1.75%</b>
<b>EXCHANGE TRADED COMMODITIES:</b>										
XTRACKER IE PHYSICAL GOLD ETC	DE000A2TOVU5	DE	DEUTCHE BANK AG		EUR	22.05	377,662	26.31	450,601	3.43%
<b>EXCHANGE TRADED COMMODITIES TOTAL</b>						<b>377,662</b>			<b>450,601</b>	<b>3.43%</b>
<b>EXCHANGE TRADED FUNDS:</b>										
KRANESHARES CSI CHINA INTERNET ETF	IE00BFXR7892	CH	WAYSTONE MANAGEMENT COMPANY		USD	25.20	216,719	18.89	162,425	1.24%
<b>EXCHANGE TRADED FUNDS TOTAL</b>						<b>216,719</b>			<b>162,425</b>	<b>1.24%</b>
<b>VENTURE CAPITAL FUNDS:</b>										
Specialist VC Primary and Secondary Fund II	-	EE	Specialist Fund Management OÜ		EUR	1.00	38,922	0.90	35,205	0.27%
<b>VENTURE CAPITAL FUNDS TOTAL</b>						<b>38,922</b>			<b>35,205</b>	<b>0.27%</b>
<b>FUNDS TOTAL</b>						<b>814,235</b>			<b>878,643</b>	<b>6.69%</b>
<b>SHARES AND FUNDS TOTAL</b>						<b>4,903,561</b>			<b>4,508,575</b>	<b>34.33%</b>



Statement of investments as of 31/12/2022 (continued)

Name	ISIN	Emitent country	Rating agency	Rating	FX	Interest rate	Maturity	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
<b>BONDS*</b>												
CAPITALICA BALT 6.50% 30.10.23	LT0000404725	LT			EUR	6.50%	30/10/2023	102.18	306,531	100.00	303,250	2.31%
INVESTMIRA 6.000% 28.12.2023 <sup>1</sup>	LT0000405334	LT			EUR	6.00%	28/12/2023	100.00	200,000	100.00	206,017	1.57%
ADMIRAL MK ALLUT 8% 05.02.31	EE3300001999	EE			EUR	8.00%	05/02/2031	100.00	200,000	98.57	203,578	1.55%
EASTNINE FRN 08.07.2024	SE0013719788	SE			EUR	5.00%	08/07/2024	100.00	200,000	99.77	202,351	1.54%
BALTIC HORIZON 4.250% 08.05.23	EE3300111467	EE			EUR	4.25%	08/05/2023	100.20	200,400	100.00	201,228	1.53%
ARCO VARA 10% 13.12.2024 <sup>1</sup>	EE3300003003	EE			EUR	10.00%	13/12/2024	100.00	200,000	100.00	200,889	1.53%
MAXIMA 6.250% 12.07.2027	XS2485155464	LT	S&P	BB+	EUR	6.25%	12/07/2027	98.96	197,922	97.40	200,647	1.53%
ADVANZIA FRN SUBORD 24.03.31	NO0010955909	LU			EUR	5.25%	24/03/2031	100.00	200,000	97.88	195,873	1.49%
B2 HOLDING ASA FRN 22.09.2026	NO0012704107	NO	S&P	B+	EUR	8.98%	22/09/2026	100.00	200,000	97.00	194,399	1.48%
MEDIA AND GAMES FRN 21.06.26	SE0018042277	MT			EUR	8.31%	21/06/2026	98.00	196,000	95.81	192,031	1.46%
CULLINAN HOLDCO FRN 15.10.2026	XS2397354015	LU	S&P	B+	EUR	7.04%	15/10/2026	88.25	176,500	94.38	191,275	1.46%
STENA 7% 01.02.2024	USW8758PAK22	SE			USD	7.00%	01/02/2024	90.88	181,760	90.84	187,086	1.42%
INTL PETROL 7.25% 01.02.2027	NO0012423476	CA	S&P	B	USD	7.25%	01/02/2027	88.39	176,772	87.33	180,274	1.37%
BEERENBERG FRN NOK 13.11.2023	NO0010904782	NO			NOK	8.79%	13/11/2023	10.40	189,852	9.63	178,284	1.36%
INBANK SUBORDINATED 19.12.2029	EE3300001544	EE			EUR	6.00%	19/12/2029	100.00	176,000	98.24	172,952	1.32%
BIGBANK 8.000% SUBT2 21.09.203	EE3300002690	EE			EUR	8.00%	21/09/2032	100.00	164,000	102.25	171,334	1.30%
LHV GROUP VAR% 09.09.2025	XS2379637767	EE			EUR	0.88%	09/09/2025	88.36	176,718	85.00	170,536	1.30%
LHV GROUP SUBORDIN 28.11.28	EE3300111558	EE			EUR	6.00%	28/11/2028	100.00	166,000	99.40	165,889	1.26%
LUMINOR BANK VAR% 29.08.24	XS2523337389	EE			EUR	5.00%	29/08/2024	100.00	150,000	99.20	151,327	1.15%
MAINOR ULEMISTE 5.5% 05.04.23	EE3300111343	EE			EUR	5.50%	05/04/2023	100.00	150,000	98.75	150,073	1.14%
AIDER KONSERN FRN 20.05.26	NO0012520495	NO			NOK	9.33%	20/05/2026	10.00	149,936	9.30	140,953	1.07%
WALDORF 9.75% 01.10.2024 <sup>1</sup>	NO0011100935	GB			USD	9.75%	01/10/2024	84.61	112,812	94.10	128,469	0.98%
NORSKE VIKING FRN 03.05.2024 <sup>1</sup>	NO0011140402	NO			NOK	8.75%	03/05/2024	10.31	134,000	9.53	126,076	0.96%
CLEANR GRUPA FRN EUR 09.12.25	LV0000802676	LV			EUR	8.70%	09/12/2025	100.00	120,000	100.00	120,539	0.92%
SEAMLESS DISTR FRN 05.05.2024	SE0015811914	SE			SEK	8.75%	05/05/2024	9.89	123,578	8.87	112,655	0.86%
VNV GL 5.5% 24.06.2024	SE0016275077	SE			SEK	5.50%	24/06/2024	9.79	122,333	8.48	106,116	0.81%
VNV GL 5.0% 31.01.2025	SE0017483019	SE			SEK	5.00%	31/01/2025	9.58	119,732	8.23	103,869	0.79%
JOTTA GRP FRN 28.05.2025	NO0010998586	NO			NOK	7.31%	28/05/2025	9.99	109,901	9.27	102,853	0.78%
COOP PANK 10% PERP 2022 AT <sup>1</sup>	EE3300002641	EE			EUR	10.00%	30/06/2072	100.00	100,000	100.00	102,500	0.78%
LAKERS FRN 09.06.2025	NO0011017113	SE			NOK	6.28%	09/06/2025	10.21	112,259	9.26	102,451	0.78%
ELKO GRUPA 6% 12.02.2026	LV0000870079	LV			EUR	6.00%	12/02/2026	100.00	100,000	100.00	102,300	0.78%
IUTECR 13.000% 07.08.2023	XS2033386603	LU			EUR	13.00%	07/08/2023	100.00	100,000	96.69	101,808	0.78%
BAKKGRUPPEN FRN NOK 03.02.2025	NO0010917750	NO			NOK	7.75%	03/02/2025	9.65	106,170	9.04	101,143	0.77%
GL AGRAJES FRN EUR 22.12.2025	NO0010912801	ES			EUR	6.00%	22/12/2025	100.00	100,000	99.72	99,901	0.76%
DELFINGROUP FRN 25.09.2024	LV0000850055	LV			EUR	10.83%	25/09/2024	96.70	96,700	96.70	96,850	0.74%
MEDIA AND GAMES FRN 27.11.2024	SE0015194527	MT			EUR	5.75%	27/11/2024	102.00	102,000	94.66	95,340	0.73%
CAYBON HOLD FRN 03.12.2025	SE0017084478	SE			SEK	6.50%	03/12/2025	9.81	122,674	7.43	93,566	0.71%

## Statement of investments as of 31/12/2022 (continued)

Name	ISIN	Emitent country	Rating agency	Rating	FX	Interest rate	Maturity	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
<b>BONDS*</b>												
AXACTOR FRN 15.09.2026	NO0011093718	NO	S&P	B	EUR	5.35%	15/09/2026	100.00	100,000	88.22	88,528	0.67%
IUTECR 11.000% 06.10.2026	XS2378483494	LU			EUR	11.00%	06/10/2026	100.00	90,000	92.99	85,998	0.65%
HKSCAN 5% 24.03.2025	FI4000490990	FI			EUR	5.00%	24/03/2025	100.07	100,070	84.05	85,383	0.65%
EXPLORER II 3.375% EUR 24.02.25	NO0010874548	NO			EUR	3.38%	24/02/2025	100.00	100,000	83.08	84,264	0.64%
AKROPOLIS 2.875% 02.06.2026	XS2346869097	LT	S&P	BB+	EUR	2.88%	02/06/2026	85.25	85,250	81.92	83,584	0.64%
KERNEL HOLDING 6.75% 27.10.27	XS2244927823	LU			USD	6.75%	27/10/2027	84.61	169,218	39.70	81,601	0.62%
MAINOR EUR 4.75% 10.06.2026	EE3300002138	EE			EUR	4.75%	10/06/2026	100.00	82,500	94.50	78,180	0.60%
DDM DEBT 9% 20.04.2026	SE0015797683	SE			EUR	9.00%	19/04/2026	100.00	100,000	67.87	69,640	0.53%
INBANK ALLUT 5.5% 15.12.2031	EE3300002302	EE			EUR	5.50%	15/12/2031	100.00	56,000	92.84	52,008	0.40%
<b>BONDS TOTAL</b>									<b>6,623,587</b>		<b>6,365,868</b>	<b>48.48%</b>

<sup>1</sup>Bonds not traded on a regulated market

As of 31/12/2021 Avaron considers also securities listed on multilateral trading facilities as securities traded on a regulated market. The amendment is based on an interpretation published by European Securities and Markets Authority (ESMA) in its Questions and Answers on Application of the UCITS Directive.

Name	Derivative Type	Emitent country	Rating agency	Rating	FX	Maturity	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets	
<b>DERIVATIVES</b>											
FX-Swap EUR/USD Swedbank AS	Swap	EE	S&P	A+Swedbank AB	USD	10/11/2022			30 108	0.23%	
<b>DERIVATIVES TOTAL</b>									<b>30 108</b>	<b>0.23%</b>	
<b>INSTRUMENTS TOTAL</b>									<b>11,557,256</b>	<b>10,904,551</b>	<b>83.04%</b>

Credit Institution	Deposit type	Rating agency	Rating	FX	Interest rate	Start date	Maturity	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
<b>DEPOSITS*</b>											
Bigbank AS	Term deposit			EUR	0.50%	19/12/2022	19/01/2023	100,000		100,017	0.76%
Bigbank AS	Term deposit			EUR	0.50%	30/12/2022	30/01/2023	100,000		100,001	0.76%
<b>DEPOSITS TOTAL</b>									<b>200,000</b>	<b>200,018</b>	<b>1.52%</b>

\*Accrued interest in the amount of 17.81 EUR has been added to the value of deposits

**Statement of investments as of 31/12/2022 (continued)**

Name	Credit Institution's country	Credit Institution	FX	Interest rate	Quantity	Average acquisition cost per unit	Market value per unit	Total market value	Share of market value of fund's net assets
<b>CASH</b>									
CURRENT ACCOUNT	EE	Swedbank	EUR			806,087		806,087	6.14%
CURRENT ACCOUNT	EE	Swedbank	BGN			229,894		229,894	1.75%
CURRENT ACCOUNT	EE	Swedbank	SEK			14,711		14,711	0.11%
CURRENT ACCOUNT	EE	Swedbank	USD			66,282		66,282	0.50%
CURRENT ACCOUNT	EE	Swedbank	PLN			191,560		191,560	1.46%
CURRENT ACCOUNT	EE	Swedbank	RSD			2,388		2,388	0.02%
CURRENT ACCOUNT	EE	Swedbank	NOK			56,182		56,182	0.43%
CURRENT ACCOUNT	EE	SEB	EUR			649,994		649,994	4.95%
CURRENT ACCOUNT	EE	Swedbank	GBP			5,201		5,201	0.04%
CURRENT ACCOUNT	EE	Swedbank	RON			22,140		22,140	0.17%
<b>CURRENT ACCOUNT TOTAL</b>						<b>2,044,439</b>		<b>2,044,439</b>	<b>15.57%</b>
<b>INVESTMENTS TOTAL</b>						<b>13,771,588</b>		<b>13,149,008</b>	<b>100.13%</b>
<b>OTHER ASSETS</b>									
DIVIDEND RECEIVABLE			EUR					166	0.00%
<b>OTHER ASSETS TOTAL</b>								<b>166</b>	<b>0.00%</b>
<b>TOTAL ASSETS OF THE FUND</b>						<b>13,771,588</b>		<b>13,149,174</b>	<b>100.13%</b>
LIABILITIES								-17,915	-0.13%
<b>NET ASSETS OF THE FUND</b>								<b>13,131,259</b>	<b>100.00%</b>

## In EUR 31/12/2021

Name	ISIN	Emitent country	Rating agency	Rating	FX	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
<b>SHARES</b>										
<b>SHARES LISTED ON STOCK EXCHANGE:</b>										
OMV AG	AT0000743059	AT			EUR	18.94	80,488	49.95	212,288	1.76%
ATRIUM EUROPEAN REAL ESTATE	JE00B3DCF752	JE	Fitch	BB	EUR	3.39	199,146	3.60	211,494	1.75%
DETSKY MIR PJSC	RU000A0JSQ90	RU			USD	1.56	194,704	1.47	183,363	1.52%
BP PLC-SPONS ADR	US0556221044	GB	S&P	A-	USD	22.34	173,133	23.42	181,483	1.50%
OMV PETROM SA (RON)	ROSNPPACNOR9	RO			RON	0.07	114,872	0.10	170,230	1.41%
TALLINNA SADAM AKTSIA	EE3100021635	EE			EUR	1.73	145,473	1.86	155,821	1.29%
GLOBALTRANS INVESTMENT PLC	US37949E2046	RU	Fitch	BBB-	USD	4.86	98,757	7.49	152,089	1.26%
MAGNIT COMMON STOCK	RU000A0JKQU8	RU	S&P	BB+	USD	86.94	199,965	63.98	147,154	1.22%
SWEDBANK AB SER A	SE0000242455	SE	S&P	A+	SEK	12.61	100,872	17.68	141,451	1.17%
TALLINK GRUPP	EE3100004466	EE			EUR	0.81	188,998	0.59	138,008	1.14%
ENGIE LOYALTY 2023	FR0014000R50	FR	S&P	BBB+	EUR	9.29	97,564	13.01	136,647	1.13%
IGNITIS GRUPE AB	LT0000115768	LT	S&P	BBB+	EUR	21.07	113,774	21.00	113,400	0.94%
FIELMANN AG	DE0005772206	DE			EUR	55.93	106,271	59.15	112,385	0.93%
EURONEXT NV	NL0006294274	NL	S&P	BBB	EUR	90.44	108,082	91.25	109,044	0.90%
HAMBURGER HAFEN UND LOGISTIK	DE000A0S8488	DE			EUR	18.24	96,648	20.56	108,968	0.90%
EQUINOR ASA	NO0010096985	NO	S&P	AA-	NOK	8.82	40,138	23.55	107,164	0.89%
AENA SME SA	ES0105046009	ES	Fitch	A-	EUR	136.78	105,317	138.80	106,876	0.88%
BANK PEKAO SA	PLPEKAO00016	PL	S&P	BBB+	PLN	14.54	58,179	26.52	106,078	0.88%
SIXT SE PRFD	DE0007231334	DE			EUR	41.01	47,159	86.80	99,820	0.83%
PUBLICIS GROUPE	FR0000130577	FR	S&P	BBB	EUR	28.68	47,613	59.20	98,272	0.81%
DANONE	FR0000120644	FR	S&P	BBB+	EUR	55.17	99,303	54.59	98,262	0.81%
POLYUS PJSC	RU000A0JNAA8	RU	S&P	BB+	USD	167.76	100,655	153.73	92,240	0.76%
CENTRALNIC GROUP PLC	GB00BCCW4X83	GB			GBP	0.84	46,244	1.67	91,623	0.76%
FRESENIUS MEDICAL CARE AG	DE0005785802	DE	S&P	BBB	EUR	63.05	100,881	57.14	91,424	0.76%
CTS EVENTIM AG and CO KGAA	DE0005470306	DE			EUR	37.47	50,584	64.36	86,886	0.72%
KRONES AG	DE0006335003	DE			EUR	65.55	49,164	95.90	71,925	0.59%
COCA-COLA ICECEK AS	TRECOLA00011	TR	S&P	BBB-	TRY	10.29	125,024	5.85	71,041	0.59%
JCDECAUX SA	FR0000077919	FR	S&P	BBB-	EUR	16.66	49,989	22.00	66,000	0.55%
SAGE GROUP PLC	GB00B8C3BL03	GB	S&P	BBB+	GBP	8.27	53,753	10.15	65,944	0.55%
RAYSEARCH LABORATORIES AB	SE0000135485	SE			SEK	8.34	97,191	5.49	63,912	0.53%
ALIBABA GROUP HOLDING LTD	US01609W1027	CH	S&P	A+	USD	192.58	101,103	104.46	54,841	0.45%
HERMAN MILLER INC	US6005441000	US	S&P	BB+	USD	20.47	27,637	34.46	46,523	0.38%
TAV HAVALIMANLARI HOLDING	TRETAVH00018	TR			TRY	2.00	38,681	2.16	41,734	0.35%
<b>SHARES TOTAL</b>							<b>3,257,360</b>	<b>3,734,388</b>	<b>30.87%</b>	

Avaron Flexible Strategies Fund

Statement of investments as of 31/12/2021 (continued)

Name	ISIN	Fund country	Fund Management Company	FX	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net
<b>FUNDS</b>									
<b>CLOSED-END FUNDS LISTED ON STOCK EXCHANGE:</b>									
BULGARIA REAL ESTATE FUND	BG1100001053	BG	REAL ESTATE MANAGEMENT LTD	BGN	0.80	180,932	1.01	228,108	1.89%
<b>CLOSED-END FUNDS TOTAL</b>						<b>180,932</b>		<b>228,108</b>	<b>1.89%</b>
<b>EXCHANGE TRADED COMMODITIES:</b>									
XTRACKER 1E PHYSICAL GOLD ETC	DE000A2T0VU5	DE	DEUTCHE BANK AG	EUR	22.05	377,662	23.06	421,079	3.48%
<b>EXCHANGE TRADED COMMODITIES TOTAL</b>						<b>377,662</b>		<b>421,079</b>	<b>3.48%</b>
<b>EXCHANGE TRADED FUNDS:</b>									
KRANESHARES CSI CHINA INTERNET E IE00BFXR7892		CH	WAYSTONE MANAGEMENT COMPANY	USD	25.20	216,719	21.68	186,490	1.54%
<b>EXCHANGE TRADED FUNDS TOTAL</b>						<b>216,719</b>		<b>186,490</b>	<b>1.54%</b>
<b>FUNDS TOTAL</b>						<b>775,313</b>		<b>835,677</b>	<b>6.91%</b>
<b>SHARES AND FUNDS TOTAL</b>						<b>4,032,673</b>		<b>4,570,065</b>	<b>37.78%</b>

Name	ISIN	Emitent country	Rating agency	Rating	FX	Interest rate	Maturity	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
<b>BONDS*</b>												
CAPITALICA BALT 6.50% 30.10.23	LT0000404725	LT			EUR	6.50%	30/10/2023	102.18	306,531	101.50	307,750	2.54%
ADMIRAL MK ALLUT 8% 05.02.31	EE3300001999	EE			EUR	8.00%	05/02/2031	100.00	200,000	102.50	211,489	1.75%
CENTRALNIC FRN 03.07.2023 EUR	NO0010856750	GB			EUR	7.00%	03/07/2023	83.00	166,000	102.19	207,792	1.72%
MEDIA AND GAMES FRN 27.11.2024	SE0015194527	MT			EUR	5.75%	27/11/2024	101.38	202,750	102.14	205,306	1.70%
BEERENBERG FRN NOK 13.11.2023	NO0010904782	NO			NOK	8.79%	13/11/2023	10.40	204,456	10.32	205,008	1.69%
EASTNINE FRN 08.07.2024 EUR	SE0013719788	SE			EUR	5.00%	08/07/2024	100.00	200,000	101.25	204,833	1.69%
BALTIC HORIZON 4.250% 08.05.23	EE3300111467	EE			EUR	4.25%	08/05/2023	100.20	200,400	100.00	201,251	1.66%
INVESTMIRA 6.000% 28.12.2023 <sup>1</sup>	LT0000405334	LT			EUR	6.00%	28/12/2023	100.00	200,000	100.00	200,000	1.65%
ADVANZIA FRN SUBORD 24.03.31 <sup>1</sup>	NO0010955909	LU			EUR	5.25%	24/03/2031	100.00	200,000	99.36	198,845	1.64%
STENA 7% 01.02.2024	USW8758PAK22	SE	S&P	B+	USD	7.00%	01/02/2024	90.88	181,760	91.12	187,375	1.55%
WALDORF 9.75% 01.10.2024 <sup>1</sup>	NO0011100935	GB			USD	9.75%	01/10/2024	84.61	169,219	89.25	182,748	1.51%
INBANK SUBORDINATED 19.12.2029	EE3300001544	EE			EUR	6.00%	19/12/2029	100.00	176,000	102.53	180,532	1.49%
KERNEL HOLDING 6.75% 27.10.27	XS2244927823	LU	S&P	B+	USD	6.75%	27/10/2027	84.61	169,218	87.83	177,728	1.47%
LHV GROUP SUBORDIN 28.11.28	EE3300111558	EE			EUR	6.00%	28/11/2028	100.00	166,000	103.80	173,193	1.43%

## Statement of investments as of 31/12/2021 (continued)

Name	ISIN	Emitent country	Rating agency	Rating	FX	Interest rate	Maturity	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
<b>BONDS*</b>												
MAINOR ULEMISTE 5.5% 05.04.23	EE3300111343	EE			EUR	5.50%	05/04/2023	100.00	150,000	101.75	154,573	1.28%
NOR5KE VIKING FRN 03.05.2024 <sup>1</sup>	NO0011140402	NO			NOK	8.75%	03/05/2024	10.31	134,000	10.07	132,738	1.10%
SEAMLESS DISTR FRN 05.05.2024	SE0015811914	SE			SEK	8.75%	05/05/2024	9.89	123,578	10.18	128,862	1.07%
VNV GL 5.5% 24.06.2024 SEK	SE0016275077	SE			SEK	5.50%	24/06/2024	9.79	122,333	9.98	124,820	1.03%
CAYBON HOLD FRN 03.12.2025 SEK	SE0017084478	SE			SEK	6.50%	03/12/2025	9.81	122,674	9.72	122,123	1.01%
BAKKGRUPPEN FRN NOK 03.02.2025	NO0010917750	NO			NOK	7.75%	03/02/2025	9.65	106,170	10.28	114,470	0.95%
LAKERS FRN 09.06.2025 NOK	NO0011017113	SE			NOK	6.28%	09/06/2025	10.21	112,259	10.36	114,365	0.95%
JOTTA GRP FRN 28.05.2025 NOK	NO0010998586	NO			NOK	7.31%	28/05/2025	9.99	109,901	10.04	111,149	0.92%
MERAKI 5.000% 19.11.2022 EUR	LT0000405243	LT			EUR	5.00%	19/11/2022	100.00	108,800	100.13	109,571	0.91%
IUTECR 13.000% 07.08.2023 EUR	XS2033386603	LU			EUR	13.00%	07/08/2023	100.00	100,000	104.00	109,158	0.90%
ELKO GRUPA 6% 12.02.2026 EUR	LV0000870079	LV			EUR	6.00%	12/02/2026	100.00	100,000	103.25	105,550	0.87%
GL AGRAJES FRN EUR 22.12.2025	NO0010912801	ES			EUR	6.00%	22/12/2025	100.00	100,000	103.75	103,900	0.86%
HKSCAN 5% 24.03.2025 EUR	FI4000490990	FI			EUR	5.00%	24/03/2025	100.07	100,070	101.16	102,493	0.85%
DDM DEBT 9% 20.04.2026 EUR	SE0015797683	SE			EUR	9.00%	19/04/2026	100.00	100,000	100.24	102,013	0.84%
HKSCAN 2.625% 21.09.2022	FI4000278536	FI			EUR	2.63%	21/09/2022	93.50	93,500	100.78	101,501	0.84%
ESTO HOLDINGS 9.000% 22.11.2024	EE3300002294	EE			EUR	9.00%	22/11/2024	100.00	100,000	100.00	100,950	0.83%
ARCO VARA 10% 13.12.2022 EUR <sup>1</sup>	EE3300001957	EE			EUR	10.00%	13/12/2022	100.00	100,000	100.00	100,472	0.83%
DELFINGROUP 9.750% 25.08.2023	LV0000850048	LV			EUR	9.75%	25/08/2023	99.52	99,520	99.63	99,765	0.82%
AXACTOR FRN 15.09.2026 EUR	NO0011093718	NO			EUR	5.35%	15/09/2026	100.00	100,000	97.42	97,661	0.81%
IUTECR 11.000% 06.10.2026 EUR	XS2378483494	LU			EUR	11.00%	06/10/2026	100.00	90,000	103.37	95,372	0.79%
EXPLORER II 3.375% EUR 24.02.2025	NO0010874548	NO			EUR	3.38%	24/02/2025	100.00	100,000	93.52	94,717	0.78%
LHV PANK 6.000% 30.09.2030 EUR	EE3300001791	EE			EUR	6.00%	28/09/2030	100.00	79,000	106.85	84,412	0.70%
MAINOR EUR 4.75% 10.06.2026	EE3300002138	EE			EUR	4.75%	10/06/2026	100.00	82,500	100.00	82,718	0.68%
INBANK ALLUT 5.5% 15.12.2031 E	EE3300002302	EE			EUR	5.50%	15/12/2031	100.00	56,000	101.70	57,089	0.47%
<b>BONDS TOTAL</b>									<b>5,232,639</b>		<b>5,394,292</b>	<b>44.61%</b>

<sup>1</sup>Bonds not traded on a regulated market

As of 31/12/2021 Avaron considers also securities listed on multilateral trading facilities as securities traded on a regulated market. The amendment is based on an interpretation published by European Securities and Markets Authority (ESMA) in its Questions and Answers on Application of the UCITS Directive.

Name	Derivative Type	Emitent country	Rating agency	Rating	FX	Maturity	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets	
<b>DERIVATIVES</b>											
FX-Swap EUR/USD Swedbank AS	Swap	EE	S&P	A+ (Swedbank AB)	USD	06/05/2022			-36,074	-0.30%	
FX-Forward EUR/NOK AS SEB Pank	Forward	EE	S&P	A+ (Skandinaviska Enskilda)	NOK	09/02/2022			-3,903	-0.03%	
<b>DERIVATIVES TOTAL</b>									<b>-39,976</b>	<b>-0.33%</b>	
<b>INSTRUMENTS TOTAL</b>									<b>9,225,336</b>	<b>9,924,380</b>	<b>82.06%</b>

**Statement of investments as of 31/12/2021 (continued)**

Credit Institution	Deposit type	Credit Institution's country	Rating agency	Rating	FX	Interest rate	Start date	Maturity	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
<b>DEPOSITS*</b>												
Bigbank AS	Term deposit	EE			EUR	1.00%	18/11/2021	18/11/2022	200,000		200,241	1.66%
Bigbank AS	Term deposit	EE			EUR	0.35%	08/12/2021	10/01/2022	101,100		101,123	0.84%
Bigbank AS	Term deposit	EE			EUR	0.35%	20/12/2021	20/01/2022	100,000		100,012	0.83%
<b>DEPOSITS TOTAL</b>									<b>401,100</b>		<b>401,375</b>	<b>3.32%</b>

\*Accrued interest in the amount of 275.88 EUR has been added to the value of deposits

Name	Credit Institution's country	Credit Institution	FX	Interest rate	Quantity	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets	
<b>CASH</b>											
CURRENT ACCOUNT	EE	Luminor	EUR				300,001		300,001	2.48%	
CURRENT ACCOUNT	EE	Swedbank	EUR				613,012		613,012	5.07%	
CURRENT ACCOUNT	EE	Swedbank	BGN				224,330		224,330	1.85%	
CURRENT ACCOUNT	EE	Swedbank	SEK				1,669		1,669	0.01%	
CURRENT ACCOUNT	EE	Swedbank	RUB				44,084		44,084	0.36%	
CURRENT ACCOUNT	EE	Swedbank	USD				109,884		109,884	0.91%	
CURRENT ACCOUNT	EE	Swedbank	PLN				83,657		83,657	0.69%	
CURRENT ACCOUNT	EE	Swedbank	RSD				2,383		2,383	0.02%	
CURRENT ACCOUNT	EE	Swedbank	NOK				4,671		4,671	0.04%	
CURRENT ACCOUNT	EE	SEB	EUR				500,023		500,023	4.13%	
<b>CURRENT ACCOUNT TOTAL</b>							<b>1,883,713</b>		<b>1,883,713</b>	<b>15.56%</b>	
<b>INVESTMENTS TOTAL</b>							<b>1,883,713</b>		<b>1,883,713</b>	<b>15.56%</b>	
<b>OTHER ASSETS</b>											
DIVIDEND RECEIVABLE			EUR						13,419	0.11%	
<b>OTHER ASSETS TOTAL</b>									<b>13,419</b>	<b>0.11%</b>	
<b>TOTAL ASSETS OF THE FUND</b>									<b>0</b>	<b>12,222,888</b>	<b>101.05%</b>
LIABILITIES										-127,568	-1.05%
<b>NET ASSETS OF THE FUND</b>										<b>12,095,320</b>	<b>100.00%</b>

## STATEMENT OF COMMISSIONS

In EUR

01/01/2022-31/12/2022

	Number of transactions	Volume of transactions	Total commissions paid	Weighted average fee
<b>Regulated securities market transactions*</b>				
<b>Shares</b>				
Wood and Company Financial Services a.s.	15	999,863	1,505	0.15%
SEB Pank AS	5	370,207	475	0.13%
Pareto Securities AS	3	211,841	191	0.09%
Baader Bank AG (CACEIS Bank S.A.)	2	128,183	318	0.25%
Santander Biuro Maklerskie	1	112,075	67	0.06%
Erste Group Bank AG	1	61,400	43	0.07%
<b>Third country securities market transactions</b>				
<b>Shares</b>				
OYAK Yatirim Menkul Degerler A.S.	2	139,856	70	0.05%
<b>OTC transactions</b>				
<b>Investment funds</b>	5	38,922		
<b>Corporate actions</b>	11	535,384		
<b>Early redemption</b>	1	200,000		
<b>Final maturity</b>	1	100,000		
<b>Rights exercise</b>	1	3,531		
<b>Bond issue</b>				
Luminor Bank AS Lithuanian Branch	3	524,956		
Pareto Securities AS	3	496,504		
Arco Vara AS	1	200,000		
Bigbank AS	1	164,000		
ABG Sundal Collier ASA	1	149,936		
Signet Bank	1	120,000		
Coop Pank AS	1	100,000		
<b>Bonds</b>				
Pareto Securities AS	2	298,399		
Signet Bank	2	197,935		
Banca Promos SPA	1	176,602		
SEB Pank AS	2	150,974		
ESTO Holdings OÜ	1	100,000		
Arctic Securities AS	1	86,274		
<b>TOTAL</b>	<b>68</b>	<b>5,666,843</b>	<b>2,669</b>	<b>0.05%</b>

\* Contracting Party to the EEA Agreement (European Economic Area countries)



In EUR

01/01/2021-31/12/2021

	Number of transactions	Volume of transactions	Total commissions paid	Weighted average fee
<b>Regulated securities market transactions*</b>				
<b>Shares</b>				
Wood and Company Financial Services a.s.	11	693 148	1 204	0.17%
SEB Pank AS	7	448 239	804	0.18%
BCS Prime Brokerage Limited	1	183 700	129	0.07%
AS SEB Pank	2	183 433	147	0.08%
Erste Group Bank AG	2	135 207	95	0.07%
Santander Biuro Maklerskie	1	79 876	48	0.06%
<b>Funds listed on stock exchange</b>				
Wood and Company Financial Services a.s.	2	216 719	108	0.05%
<b>Exchange traded commodities</b>				
Wood and Company Financial Services a.s.	1	126 768	101	0.08%
<b>Völakirjad</b>				
SEB Pank AS	15	168 469		
<b>Third country securities market transactions</b>				
<b>Shares</b>				
Wood and Company Financial Services a.s.	1	101 103	51	0.05%
<b>OTC transactions</b>				
<b>Shares</b>				
Avaron Emerging Europe Fund	1	79 728		
Swedbank AS	1	31 490		
<b>Early redemption</b>	1	297 208		
<b>Initial public offering</b>				
Swedbank AS	1	110 925		
<b>Corporate actions</b>				
	4			
<b>Derivative instruments</b>				
Swedbank AS	2	992 388		
AS SEB Pank	1	105 762		
<b>Bond issue</b>				
Pareto Securities AS	6	839 041		
ABG Sundal Collier ASA	4	532 575		
Redgate Capital	3	391 300		
Signet Bank	3	299 520		
Šiauliai bankas AB	2	295 030		
Arctic Securities AS	2	234 000		
Banca Promos SPA	2	206 240		
Swedbank AS	1	56 000		
Coop Pank	1	20 000		
<b>Bonds</b>				
Banca Promos SPA	3	650 894		
SEB Pank AS	7	330 281		
Pareto Securities AS	2	237 017		
ABG Sundal Collier ASA	1	204 982		
Luminor Bank AS	1	200 613		
Arctic Securities AS	1	109 187		
Šiauliai bankas AB	1	103 169		
AS SEB Pank	7	37 895		
<b>TOTAL</b>	<b>101</b>	<b>8,701,908</b>	<b>2,688</b>	<b>0.03%</b>

\* Contracting Party to the EEA Agreement (European Economic Area countries)

## REPORT ON REMUNERATION OF THE FUND MANAGEMENT COMPANY

The remuneration principles of all Avaron employees including investment managers and risk-takers are set in the Company's Remuneration Policy. The remuneration of Avaron employees consists of fixed and variable remuneration. The total remuneration is based on local labour market conditions, and is designed so as to achieve a reasonable balance between the fixed and variable components of the salary.

Avaron employees receive a fixed salary, which reflects relevant professional experience and organisational responsibility as set out in the employee's job description. Variable remuneration depends on the performance of the employee, the business unit concerned and Avaron's overall results. The assessment of the performance is set in a three-year framework, to ensure, that the assessment process is based on longer-term performance taking into account the business cycle of the Company and its business risks. After awarding a bonus to the employees the Company has a three-year period during which it has the right to reduce the bonus, stop the payments of the announced bonus or even require partial or full repayment. The full Remuneration Policy of AS Avaron Asset Management can be downloaded here [www.avaron.com/documents](http://www.avaron.com/documents).

The Fund Management Company employed 17 specialists as at the end of 2022 (end-2021: 19 specialists). Total remuneration amounted to:

In EUR

	<b>2022</b>	<b>2021</b>
Wages and salaries	481,111	487,841
Social tax and unemployment insurance contributions	184,480	174,707
<b>Total</b>	<b>665,591</b>	<b>662,548</b>
incl. bonus program cost with applicable taxes	81,453	63,078

The Members of the Management Board did not receive extra remuneration for participating in the work of the managing bodies. Independent member of the Supervisory Board was paid, in total with applicable social tax, EUR 2,993 in the financial year 2022 (2021: EUR 11,385).

No remuneration has been paid by the Fund.

## INDEPENDENT CERTIFIED AUDITOR'S REPORT

*Independent auditor's report is available in Estonian at Avaron's website:*  
<https://avaron.ee/dokumendid/>